MEASURE NUMBER:SB 863STATUS: OriginalSUBJECT:Continuously appropriates five percent of funds in the Oregon Production InvestmentFund to reimburse local filmmaker productions.GOVERNMENT UNIT AFFECTED:Economic and Community Development DepartmentPREPARED BY:Robin LaMonteREVIEWED BY:Steve BenderDATE:April 26, 2009

EXPENDITURES:

See Analysis

<u>2009-2011</u> <u>2011-2013</u>

EFFECTIVE DATE: January 1, 2010

LOCAL GOVERNMENT MANDATE: This bill [may] [does not] affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: SB 863 directs the Economic and Community Development Department (OECDD) to reimburse local filmmakers for all or a portion of their actual expenses, up to a maximum of \$750,000, to produce films, and appropriates five percent of moneys in the Oregon Production Investment Fund for this reimbursement.

The fiscal impact of this bill relates to the diversion of five percent of funds in the Oregon Production Investment Fund for local filmmaker projects. OECDD reports that since the program began in 2005, it has distributed or reserved \$13.2 million for non-Oregon projects, and \$1.2 million has been distributed to Oregon-based productions. Based on current revenue projections, OECDD estimates that this bill would allocate approximately \$225,000 for local filmmaker productions with total expenses of \$750,000 or less. OECDD notes that reserving 5% of funds for smaller projects will likely divert funding from projects with higher wages. OECDD also notes that all of the current funds in the Oregon Production Investment Fund have been reserved to secure two large film projects.